

**RM00**  
**Morgan State University**

***Capital Budget Summary***

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**Summary of State-owned Projects Funded in Governor's Request**  
**(\$ in Millions)**

<i>Project Title</i>	<i>Prior Approp.</i>	<i>FY 2014 Request</i>	<i>Future Estimated</i>	<i>Estimated Total</i>	<i>DLS FY 2014 Recommd.</i>
New School of Business Complex and Bridge	\$25.898	\$50.764	\$5.000	\$81.662	\$50.764
Soper Library Demolition	0.500	3.850	2.100	6.450	3.850
New Jenkins Behavioral and Social Sciences Center	4.900	0.297	62.600	67.797	0.297
<b>Total</b>	<b>\$31.298</b>	<b>\$54.911</b>	<b>\$69.700</b>	<b>\$155.909</b>	<b>\$54.911</b>

<i>Fund Source</i>	<i>Prior Approp.</i>	<i>FY 2014 Request</i>	<i>Future Estimated</i>	<i>Estimated Total</i>	<i>DLS FY 2014 Recommd.</i>
GO Bonds	\$31.298	\$54.661	\$69.700	\$155.909	\$54.661
Nonbudgeted Funds	0.000	0.250	0.000	0.000	0.250
<b>Total</b>	<b>\$31.298</b>	<b>\$54.911</b>	<b>\$69.700</b>	<b>\$155.909</b>	<b>\$54.911</b>

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*Analysis of the FY 2014 Maryland Executive Budget, 2013*

## ***Summary of Recommended Bond Actions***

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1. New School of Business Complex and Bridge

Approve.

2. Soper Library Demolition

Approve.

3. New Jenkins Behavioral and Social Science Center

Approve.

4. Section 12 – Morgan State University New School of Business Complex

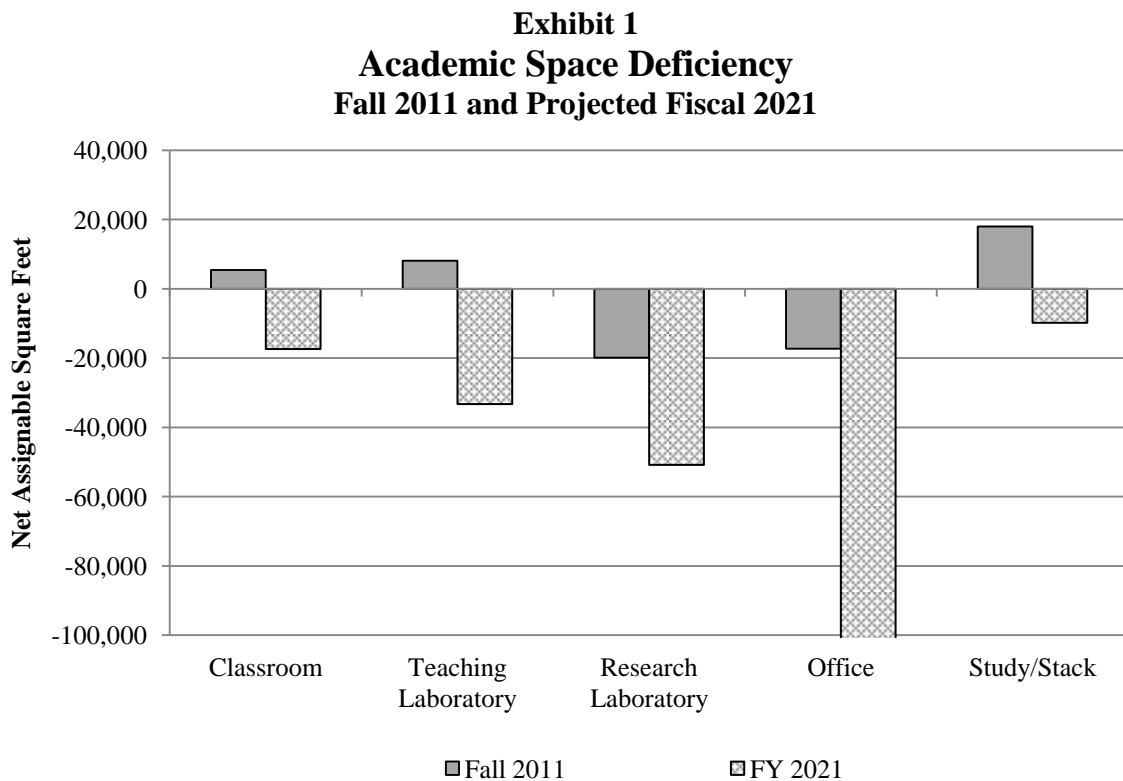
Approve. Pre-authorization for fiscal 2015 to complete construction funding.

5. Section 12 – Morgan State University Soper Library Demolition

Approve. Pre-authorization for fiscal 2015 to complete construction funding.

## ***Agency Performance Measures and Outputs/Population Data***

According to the Maryland Higher Education Commission (MHEC), as of fall 2011, Morgan State University (MSU) had a surplus of 13,475 net assignable square feet (NASF) of academic space, as shown in **Exhibit 1**. By fiscal 2021, based on MHEC's projected 26% enrollment growth in full-time day equivalent students, MSU will have an academic space deficit of 50,702 NASF. While MSU is projected to have space deficits in all areas, most notable is the significant deficit in office space, which is estimated to grow by 147,261 NASF to 164,549 NASF. This is due to the projection assuming a loss of approximately 75,000 NASF of space from the demolition of the Montebello Complex but does not include space from the construction of the new student services support building.



Source: Maryland Higher Education Commission, Four-year Public Colleges and Universities Academic Space Surplus/Deficiency, Fall 2011, Projected 2021

## ***Capital Improvement Program***

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### **State-owned Capital Improvement Program (\$ in Millions)**

<b><i>Projects</i></b>	<b><i>Prior Auth.</i></b>	<b><i>2014 Request</i></b>	<b><i>2015 Est.</i></b>	<b><i>2016 Est.</i></b>	<b><i>2017 Est.</i></b>	<b><i>2018 Est.</i></b>	<b><i>Beyond CIP</i></b>
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New School of Business Complex and Bridge	\$25.898	\$50.764	\$5.000	\$0.000	\$0.000	\$0.000	\$0.000
Soper Library Demolition	0.500	3.850	2.100	0.000	0.000	0.000	0.000
New Jenkins Behavioral and Social Sciences Center	4.900	0.297	0.000	32.450	30.150	0.000	0.000
Campuswide Utilities Upgrade – Phase IV	30.205	0.000	5.000	4.650	0.000	0.000	0.000
New Student Services Support Building	0.000	0.000	0.000	2.350	2.850	33.850	38.550
<b>Total</b>	<b>\$61.503</b>	<b>\$54.911</b>	<b>\$12.100</b>	<b>\$39.450</b>	<b>\$33.000</b>	<b>\$33.850</b>	<b>\$38.550</b>

<b><i>Fund Source</i></b>	<b><i>Prior Auth.</i></b>	<b><i>2014 Request</i></b>	<b><i>2015 Est.</i></b>	<b><i>2016 Est.</i></b>	<b><i>2017 Est.</i></b>	<b><i>2018 Est.</i></b>	<b><i>Beyond CIP</i></b>
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GO Bonds	\$61.503	\$54.661	\$12.100	\$39.450	\$33.000	\$33.850	\$38.550
Nonbudgeted Funds	0.000	0.250	0.000	0.000	0.000	0.000	0.250
<b>Total</b>	<b>\$61.503</b>	<b>\$54.911</b>	<b>\$12.100</b>	<b>\$39.450</b>	<b>\$33.000</b>	<b>\$33.850</b>	<b>\$38.550</b>

## ***Budget Overview***

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### **New School of Business Complex and Connecting Bridge**

The project provides for a new School of Business complex at the former Northwood Shopping Center and includes a pedestrian bridge linking the Morgan Commons to the complex. The 2013 capital budget includes \$50.8 million; \$44.8 million to continue construction of the building and bridge and \$6.0 million to equip the facility. This is \$3.7 million higher than the amount programmed in the 2012 *Capital Improvement Program* (CIP) due to increased cost associated with the pedestrian bridge and equipment. A pre-authorization for the programmed fiscal 2015 construction authorization of \$3.1 million is included in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2013. Prior authorizations for the design and construction totaled \$25.9 million. Additionally, \$250,000 of nonbudgeted funds are programmed in the 2013 CIP for fiscal 2014, which will fund 1,978 NASF of retail space.

The School of Business is located in McMechen Hall, which was constructed in 1972. Classroom space in the building is functionally inadequate, unable to support the type of space required for a modern day business school. McMechen Hall has 7,318 NASF of classroom space, but 12,520 NASF is needed to accommodate future enrollment growth. Existing classrooms lack movable or fixed tables that provide greater space per student and can be wired to provide power, data access, or microphones at each student station. Installing these tables in existing rooms will result in the loss of 184 of the 518 current stations. Additionally, there is a lack of breakout space, making it difficult for students to work in small groups.

McMechen Hall also lacks specialized instruction laboratories for business disciplines, such as accounting, marketing, and finance, which simulate trading and market research rooms. These laboratories are a standard in finance and marketing programs and foster experiential learning, providing skills required by employers. Furthermore, scheduling of afternoon or evening classes is difficult due to insufficient class laboratory space, resulting in MSU not being able to schedule all core undergraduate courses each semester. Instead, courses are offered on a rotating basis, which can increase time to degree.

In addition, there are not enough offices for business faculty, and the existing space is too small. McMechen has 52 offices for faculty members, of which 41 are less than 140 NASF and most have two occupants. State guidelines for office space are 166 NASF for each full-time faculty and staff.

The Hospitality Management program, which will also be housed in the complex, currently lacks specialized laboratories, such as demonstration kitchens that allow students to gain experience in institutional food preparation. The program currently has 5,904 NASF of laboratory space. The lack of space limits the program's ability to attract and properly train hospitality management students. Based on existing enrollment and the State's space guidelines, approximately 9,200 NASF of class laboratory space is needed; therefore, the deficit is 3,296 NASF.

The facility will also provide modern academic space that meets programmatic needs, allowing the business and hospitality management programs to be competitive with other programs. Overall, the complex will add 80,587 NASF, which includes 13,399 NASF of classroom space; 12,238 of class and open laboratory space; and 23,173 NASF of office space.

The project also includes construction of a pedestrian bridge from the Morgan Commons to the complex. The complex, located at the former Northwood Shopping Center, would require students walking from the main campus to cross Hillen Road, a heavily traveled thoroughfare. In addition, the building will lie yards from the crest of a hill, creating a hazard for students. While there is a traffic light at the corner of Argonne Drive and Hillen Road, students often take the shortest and not necessarily safest route, crossing in the middle of the street, which has resulted in a few incidents where students have been hit by cars. The bridge will provide the quickest and safest access to the complex from the main campus. Additionally, MSU plans to construct two additional academic buildings at the Northwood site, which will further increase pedestrian traffic crossing Hillen Road.

### **Soper Library Demolition**

The General Assembly added this project to the 2012 capital budget when it authorized \$0.5 million for the design of the demolition of Soper Library, which has been vacant since the Earl S. Richardson library opened in 2007. The cost of the demolition totals \$6.0 million, of which the 2013 capital budget provides \$3.9 million to begin the demolition, and the remaining \$2.1 million is programmed in fiscal 2015. Originally, the design period of the project was scheduled to take 13 months, commencing in November 2012; however, the design service contract will not be presented to the Board of Public Works until the March 6, 2013 meeting. According to MSU, the design will be completed within five to six months, and the project be completed on schedule. **The President should comment on how the university will be able to complete the project on schedule given the shortened timeframe to not only design the project but also the time needed to put the project out to bid for construction.**

MSU originally planned to renovate Soper Library to accommodate the various student support units, such as the Bursar and financial aid, which are currently housed in the Montebello Complex. However, based on a building survey, it was determined that it would not be economical to renovate Soper Library due to inadequacies of the infrastructure and the building systems. The facility was built in 1974 and has never had a major renovation. The heating, ventilation, air conditioning (HVAC), electrical, and other building systems are 38 years old and are in poor condition. Mold and bacteria have been found in the duct work, resulting in indoor air quality problems. The electrical system cannot provide sufficient light and does not have the capacity to support student services units. The building is only partially wired with fiber optic cable and does not have enough data ports to support a high speed data and telecommunications network. Furthermore, the building is not compliant with the Americans with Disabilities Act (ADA); entrances, exits, guardrails, elevators, and restrooms are not ADA compliant. The facility has also experienced settling and has problems with water penetration.

Given the centralized location of Soper Library, once the facility is demolished, it will be replaced with the new Student Support Services Building. Currently, the student services units are housed in the Montebello complex that was designed as a hospital; therefore, it is functionally inadequate to accommodate these units, and the infrastructure has exceeded its useful life.

### **New Jenkins Behavioral and Social Science Center**

Due to delays in the project schedule, \$0.3 million was added to the 2013 capital budget to complete the detailed design for the new Jenkins Behavioral and Social Science Center. Funding for the building was accelerated from fiscal 2016 to 2012 by the General Assembly when it authorized \$1.4 million for design in the MCCBL of 2011. The MCCBL of 2012 provided \$3.5 million to complete the design of the facility. Over the years, the scope of the project has varied since the program plan was first submitted in 2003. Originally, the plan was to construct a 54,000 NASF facility, but the plan has increased by 14,705 NASF to 68,705 NASF. Due to delays in the project schedule, construction funding has been deferred from fiscal 2015 to 2016. Funding of \$32.5 million and \$30.1 million for construction and equipment are programmed for fiscal 2016 and 2017, respectively. Based on the approved program scope, the total cost of the facility is \$5.8 million lower than the previous year with a total estimated cost of \$67.8 million.

The existing Jenkins building was constructed in 1974, and the building's 40-year-old mechanical, electrical, and plumbing systems are failing, making the instructional space functionally inadequate. The HVAC system is inefficient and ineffective at cooling and heating the building, which has disrupted class due to the extreme temperature conditions. The electrical system is in poor condition, is at capacity, and cannot support the audio visual equipment and computers used in today's classrooms. Furthermore, water leaks resulting from the poor condition of the roof have led to the disruption of classes. Approximately 4,000 NASF of space is unusable due to these conditions. In addition, the building does not meet ADA requirements. Due to the configuration of the building, which contains an atrium and a massive staircase, it is not cost effective to renovate the building. It would be technically difficult to enclose the atrium and remove the central staircase without affecting the structural integrity of the building. Even if this could be accomplished, it may not yield a significant increase in program space due to the need to address various code issues. The existing Jenkins building will be demolished but is not part of the new Jenkins project scope.

The departments of Psychology, Sociology and Anthropology, Political Science, History and Geography, and Economics are currently housed in the existing Jenkins building. Classroom space is insufficient to support these departments, which have 855 undergraduates and 48 graduate students. Currently, there is 20,085 NASF of classroom space, but 21,430 NASF will be needed to accommodate the projected enrollment. Larger classrooms are needed to offer general education courses, and smaller rooms are also needed for seminar courses and small group exercises.

There is approximately 2,700 NASF of classroom laboratory space, but based on State guidelines and projected enrollment growth, 12,620 NASF will be needed. The lack of laboratory space has resulted in students receiving instruction in the classroom and not gaining hands-on experience needed to function effectively in the workplace or be competitive with students from other

institutions. The inadequate space has also affected the ability of the university to attract and retain high quality faculty and students.

The new Jenkins building will provide 20,370 NASF of classroom space, 19,355 NASF of office space, and 975 NASF of animal facilities space. In addition, the facility will provide 14,040 NASF of open and class laboratory space and 7,580 NASF of research laboratory space.

## ***Operating Budget Impact Statement***

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### **Executive's Operating Budget Impact Statement (\$ in Millions)**

		<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
<b>New School of Business Complex and Bridge</b>						
	Estimated Operating Cost	\$0.000	\$1.362	\$2.285	\$2.330	\$2.376
	Estimated Staffing	0	2	2	2	2
<b>New Jenkins Behavioral and Social Sciences Center</b>						
	Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.000	\$1.772
	Estimated Staffing	0	0	0	0	2
<b>Soper Library Demolition</b>						
	Estimated Operating Cost	\$0.000	-\$0.010	-\$0.025	-\$0.026	-\$0.027
	Estimated Staffing	0	0	0	0	0
<b>Total Operating Impact</b>						
	Estimated Operating Cost	<b>\$0.000</b>	<b>\$1.352</b>	<b>\$2.260</b>	<b>\$2.304</b>	<b>\$4.121</b>
	Estimated Staffing	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>



## **Summary of Other Projects in the Capital Improvement Program**

### **New Student Services Support Building**

The new Student Services Support Building is programmed in the 2013 CIP to receive design funding of \$2.4 million and \$2.9 million in fiscal 2016 and 2017, respectively. Construction funding totaling \$33.9 million is programmed in fiscal 2018. The remaining \$38.6 million in funding to complete construction and equip the building would be provided in the out-years. The facility will be constructed on the site previously occupied by the Soper Library, which is programmed in the 2013 CIP to be demolished by fiscal 2015. The facility consists of 71,595 NASF at an estimated cost of \$77.6 million.

Student Services are currently housed in the 57-year-old Montebello Complex that was originally a hospital. The mechanical, electrical, and plumbing systems in the complex have exceeded their useful lives and are functionally inadequate. The computer system frequently breaks down, and the mechanical system is not able to adequately cool and heat the building. Additionally, because the systems are not energy efficient, the facility is expensive to operate, costing MSU, in fiscal 2012, approximately \$1.2 million to maintain. Furthermore, due to the configuration of the building, student service units are located throughout the facility and are difficult for students to find. Office space is insufficient, and staff is expected to increase from 204 full-time equivalents to 273 by 2021, requiring an increase in space from 48,980 NASF to 71,595 NASF. The new facility will allow the university to address space deficiencies in student support and provide a central location on campus that is convenient for students and allows the university to enhance student support service.

### **Campuswide Utilities Upgrade – Phase IV**

This is the final phase to construct upgrades to the gas, water, sewer, stormwater, steam, electric, and data/telecommunication systems across campus. Prior authorizations for previous phases totaled \$30.2 million. The 2013 CIP programs \$5.0 million for planning and construction in fiscal 2015 and \$4.7 million for construction in fiscal 2016. Projects include improvements to the campus electrical distribution system that will provide communication upgrades to various facilities, telecommunications upgrades to ensure capacity for current and future communications requirements, and installation of two chiller units. A majority of these projects will focus on the southern part of campus – Morgan Commons and Montebello.

## ***GO Bond Recommended Actions***

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1. Approve \$50.5 million in general obligation bond funding to construct and equip the new School of Business Complex and connecting bridge.
2. Approve \$3.9 million in general obligation bond funding to provide construction funds for the demolition of Soper Library.
3. Approve \$0.3 million in general obligation funding to complete the design of the new Jenkins Behavioral and Social Sciences Center.
4. Approve the pre-authorization of \$3 million of general obligation bond funds for fiscal 2015 to complete construction of the new School of Business Complex and Bridge.
5. Approve the pre-authorization of \$2.1 million of general obligation bond funds for fiscal 2015 for the Soper Library Demolition. This pre-authorization, in addition to the proposed authorization of \$3.9 million in fiscal 2014, is necessary to allow the project to be bid for construction in fiscal 2014.